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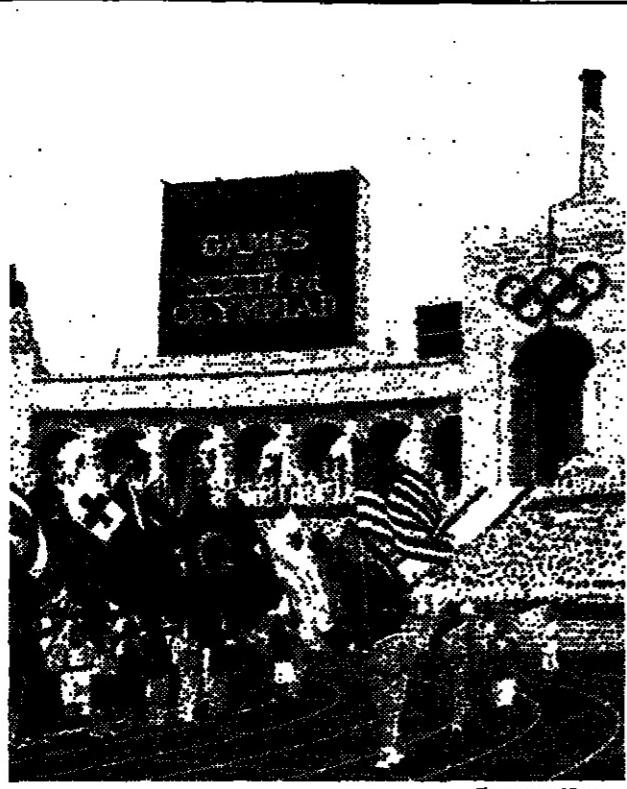
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Pageantry Opens Olympic Games

Ed Burke, the U.S. hammer thrower, holds the U.S. flag high at opening ceremonies at the Olympic Games at the Los Angeles Memorial Coliseum. The Soviet Union assailed the opening of the Games as a Hollywood-style propaganda show (Page 2), as the competition got under way (Page 15).

U.S. Moving to Sidestep World Trade Agreements

By Stuart Auerbach

Washington Post Service

WASHINGTON — The Reagan administration, frustrated by the pace of global efforts to change the rules of international trade, is moving outside the system to develop separate agreements on specific issues with individual countries or small groups of nations.

U.S. officials believe the present trade rules of the General Agreement on Tariffs and Trade (GATT), which govern international transactions for 90 nations, thwart the competitive advantage of the United States in services, agriculture and high technology.

The administration intends to attack barriers to trade that are developing in such services as banking, engineering and insurance; to set guidelines for free trade in high technology and telecommunications; and to close loopholes that permit some nations to subsidize their farm products for export and restrict agricultural imports.

But Third World nations, burdened with heavy international debts, oppose the Reagan administration's efforts, which are likely to include attacking trade barriers erected by such newly industrialized nations as Korea and Brazil. Products from these countries find ready markets in the United States.

Many Third World nations fear that new trade rules in services and high technology will work against their aspirations to become export powers in those new areas.

Some trade specialists are worried that the U.S. move to circumvent GATT could derail the world trading system.

As part of the strategy, the Reagan administration is negotiating separate trade pacts with Israel and Canada. Michael B. Smith, the deputy U.S. trade representative, is traveling around the world trying to put together agreements with groups of countries in specific trade areas.

"We are not abandoning GATT," Mr. Smith said in an interview in Washington between a visit to four Latin nations and a tour to seven Asian states. "We'd prefer to let it all through the multilateral system."

But, Mr. Smith added, "we are not going to wait for a consensus to develop" among all GATT members.

INSIDE

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■ Fred M. Waring, the popular big band leader, died Sunday after a stroke. Page 5.

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■ The green valleys of Wales have been parched brown by prolonged drought. Page 6.

BUSINESS/FINANCE

■ The Continental Illinois rescue convinced experts that major changes are needed in the world banking system. Page 7. BY HENRY A. KISSINGER

■ The former secretary of state, in the second of a series, gives his views on the current East-West deadlock. Page 5.

TOMORROW

■ A government program to cut the number of "avoidable" deaths in American hospitals was criticized as being unrealistic.

New Note Specific on Space Talk, U.S. Says

By Don Oberdorfer

Washington Post Service

WASHINGTON — The Reagan administration has sent Moscow a diplomatic note explicitly agreeing to discuss space weapons in Soviet-proposed negotiations, even as the Soviet Union again publicly attacked the U.S. position.

Anita Stockman, speaking for the U.S. State Department, said a private diplomatic note was delivered Saturday to the Kremlin by the U.S. Embassy in Moscow. A companion statement she made public said the United States is serious about substantive talks in Vienna, the proposed location of the talks.

"We are prepared to go there and talk about outer space, including anti-satellite weapons, and we have no preconditions," she said.

The diplomatic note and the State Department announcement, which are reported to be along the same lines, represent an effort by the administration to meet some objections raised by the Soviet Union in a private message Thursday and public attacks Friday in a continuing exchange over the proposed talks.

The Kremlin claimed that the United States did not say explicitly in an earlier communication that it would go to Vienna to discuss outer space.

Tass continued an attack along these lines in its latest commentary, issued Saturday, which charged the United States with substitution of one subject for another in its response to the Soviet proposal for Vienna talks.

The U.S. statement said nothing about the Reagan administration's desire to discuss strategic arms negotiations in the Vienna talks, but a White House official said the United States has not dropped its insistence on bringing up this subject if the talks are held.

There was no mention in the State Department statement regarding the Soviet demand for a moratorium on testing and deployment of outer space weapons from the beginning of the Vienna talks, but officials have made it clear that the United States is not ready to accept this.

The text of the U.S. note was not disclosed, and the State Department urged that Soviet-American exchanges on the subject return to confidential diplomatic channels rather than being disclosed in public attacks.

The Soviet government said Friday that the U.S. position made it impossible to begin talks, but Miss Stockman reiterated Saturday that, "We do not believe that the Vienna talks are impossible if the Soviets are seriously interested in negotiations."

Other officials said the prospects appear to be dimming with each bias from Moscow.

Secretary of State George P. Shultz, who approved Saturday's State Department statement as he flew with President Ronald Reagan to the Olympics, has been saying for some time that "the Soviets won't take yes for an answer" on the invitation they themselves issued on June 29. It appears, also, that the Reagan administration is not ready to take no for an answer.

Last January the Pentagon tested an anti-satellite device fired from an airplane. Pentagon sources say another test is scheduled in a few weeks, but the weapon has not been tested against a target in space.

In another Soviet commentary, a Tass analyst, Gennady Shishkin, charged in the newspaper *Rural Life* published Saturday that the United States is to blame for "the sabotage" of the Vienna talks.

But Argentina's "overriding concern was bilateral," Mr. Smith said. "It is interesting in anything that will expand trade with anybody."

Quietly, Albania Allows An Opening in Its Wall

The writer, an Australian, is one of the few Western journalists allowed to travel in Albania in recent years. This two-part series, starting today, provides a rare look at life inside a country that has virtually closed its doors on the rest of the world.

By Uli Schmetz
International Herald Tribune

VLORE, Albania — This is Albania, 1984: There is no unemployment. Nobody pays taxes. All property is owned by the state.

They insist there is no deviation from 40 years of dogmatic ideology, whose principles are autonomy, independence, self-sufficiency and a defiant reluctance to compromise with the capitalist West or the Communist East.

Any temporary crack in the Albanian wall, such as letting a Western tourist visit the country, is prompted more by national pride and economic necessity than ideological reform.

Albanians want to show off the results of four decades of self-reliance on the 40th anniversary of the Communist takeover in 1944.

There are signs of change, but very few. Hundreds of Western tourists sunbathe on the carefully



Bulldozers in Beirut started clearing rubble and earthworks along the Green Line Saturday.

Soviet Revives Call for a Conference To Find End to Arab-Israeli Conflict

The Associated Press

MOSCOW — The Soviet Union called on Sunday for an international conference to end the Arab-Israeli conflict.

It said that all parties to the conflict, including the Palestine Liberation Organization, should attend together with the United States and the Soviet Union.

The Soviet proposal, contained in a statement carried by Tass news agency, attempted to overcome likely Israeli objections by saying that all countries in the conflict should commit themselves to honor each other's sovereignty, independence and territorial integrity.

Israel has consistently refused to deal with the PLO until it recognizes Israel's right to exist.

The Soviet proposal was similar to earlier Moscow positions on the Arab-Israeli conflict.

It said that the conference should concentrate on the return of lands captured by Israel since 1967, the creation of an independent Palestinian state and the return of East Jerusalem to the Arabs.

Participants at the conference should include Israel and its Arab neighbors — Syria, Jordan, Egypt, Lebanon — and the PLO, Tass said.

The Soviet Union and the United States should also take part because of their important role in Middle East affairs and in view of their status as co-chairmen of the last international conference which was called after the 1973 Middle East war, the proposal said.

Other nations in adjoining areas could be allowed to join the conference with the consent of the participating nations, according to the proposal.

In 1981, President Leonid I. Brezhnev called for a conference as "an alternative to Camp David," the U.S.-sponsored Egyptian-Israeli peace process. His call was taken up by several pro-Western Arab leaders, such as King Hussein of Jordan.

On Sunday, Tass said conference participants should work toward drafting a treaty calling for the withdrawal of Israeli troops from all Arab territories, the creation of an independent Palestinian state and guarantees of peace and security of all nations in the Middle East.

The Soviet Union is profoundly convinced that the vital interests of the peoples of that region and likewise the interests of international security as a whole urgently dictate the need for the speediest attainment of a comprehensive, just and lasting settlement of the Middle East conflict," Tass said.

Settlements established by Israel in the Arab territories after 1967

should be dismantled and the borders between Israel and its Arab neighbors should be declared inviolable, the Soviet proposal said.

■ Israel Reaction

A senior Israeli official said on Sunday that the Soviet call for an international peace conference on the Middle East was "not serious," The Associated Press reported from Jerusalem.

The official did not rule out the possibility that Israel would consider an international peace conference — although Jerusalem has been cool to the idea in the past.

The Soviet government drafted the proposal because of its concern "over the remaining explosive situation in the Middle East," the statement said.

"The Soviet Union is profoundly convinced that the vital interests of the peoples of that region and likewise the interests of international security as a whole urgently dictate the need for the speediest attainment of a comprehensive, just and lasting settlement of the Middle East conflict," Tass said.

"I won't go into these details... A country that has no relations with a side in a conflict has lost its main role in a peace process and it is clear that such a proposal is not serious," the official said.

Battle Interrupts Effort to Extend Beirut Security

By Loren Jenkins
Washington Post Service

BEIRUT — Rival Moslem militiamen battled each other for three hours in the streets of the western sector of Beirut Sunday, breaking a truce that had reigned in the capital for more than three weeks.

On Saturday, residents of Beirut heard the hopeful sound of bulldozers as the Lebanese Army began the second phase of the government's ambitious security plan to end the physical division of the city.

The fighting that sent Sunday strollers fleeing for their homes left at least two dead and 15 wounded, according to police. One of the dead and at least 10 of the injured were civilians, police said.

The fighting ended after officers of the predominantly Moslem 6th Brigade, which is officially in charge of Beirut's security, got in touch with leaders of both militias — a mainly Sunni Moslem group and the militia of the Druze sect.

Although the fighting was restricted to one small area of the city, armed militiamen from various other local forces soon were out in the streets of other parts of the western sector.

Having succeeded early this month in halting the major clashes in Beirut between rival militias, and opening up three crossing points across the Green Line that has so long divided the capital, the government Saturday sought to erase the division line that has separated the Christian eastern sector of the capital from its predominantly Moslem western neighborhood.

"There is no longer an east Beirut or west Beirut," proclaimed Brigadier General Mohammed Haj, the commander of the 5,000-strong garrison of Lebanese soldiers that already has been deployed — in religiously segregated units — in both sectors of the city.

There have been at least half a dozen attempts to eradicate the Green Line of shell-shattered shops and bullet-pocked apartments. All have failed.

The effort to bulldoze away the vast network of earthworks and barricades from which rival militias have fought and to defuse old mines and unexploded rocket and artillery shells littering the area came as Prime Minister Rashid Karame returned from Saudi Arabia, where he sought financial aid for the Beirut reconstruction.

Mr. Karame said Saudi Arabia has pledged financial support to help in the country's reconstruction and political support to help liberate the Israeli-occupied south of Lebanon. He did not specify how much money has been promised Lebanon, but some officials have put the figure at \$450 million.

Saturday's second phase of the implementation of the Beirut peace plan sought to wipe out all barricades separating the city, open up two new arteries of travel between east and west and create a neutral buffer zone free of any militiamen.

About 1,500 new troops, drawn from both Moslem and Christian units, were being deployed in the Green Line area, which runs from the Beirut port area eastward and then southwest toward the airport.

These mixed units are to patrol a neutral area between the capital's two dominant zones, where still only predominantly Moslem Lebanese soldiers patrol the Moslem sector and Christian army units patrol the Christian sectors.

The clean-up operations between the two zones are expected to take three or four days to complete.

Traffic across the newly opened arteries between the two zones — the Sodeco crossing and the Fuad Chehab overpass — is not expected to begin until Wednesday.

Iranian Leader Says Diplomacy May End War

By David B. Ottaway
Washington Post Service

cooperate fully but Iran seems wary of the Islamic mission.

At the same time, the Gulf Arab states, particularly Saudi Arabia and Kuwait, are known to be eager to reduce tensions over the recent "tanker war" in the Gulf, in which half a dozen Kuwaiti supertankers were damaged by Iranian planes retaliating for Iraqi hits on Iranian oil tankers.

This was seen as a major concession since there have been clashes between Iranian pilgrims and Saudi security forces in Mecca the past several years over the holding of political demonstrations there.

■ Iran Reports Battle

Iran said on Saturday that its

forces had killed at least 220 Iraqi soldiers and wounded more than 500 in a three-day battle in the northernmost sector of the border battlefield, The Associated Press reported from Nicosia.

The official Iranian news agency also said in a dispatch monitored in Cyprus that Iranian forces had captured 21 strategic border heights during the assault, which began Thursday.

An Iraqi communiqué broadcast by Baghdad radio said that its helicopter gunships struck Iranian positions Friday and Saturday in the area along the northeastern corner of Iraq, but spoke of no major offensive by either side.

Weizman Said to Edge To Coalition With Labor

By James Feron
New York Times Service

JERUSALEM — Ezer Weizman, whose party won three seats in Israel's parliamentary elections, is reported to be leaning toward joining an effort by the Labor Party to form a coalition government.

Such a move by Mr. Weizman could be a major blow to the Likud bloc's efforts to form a coalition under Prime Minister Yitzhak Shamir.

But Mr. Weizman said Saturday that Mr. Weizman said he "cannot see himself sitting as part of a government that would not implement Camp David," the peace agreement Israel signed with Egypt.

Mr. Weizman's statement came after he emerged from a series of talks about a possible coalition with Labor leaders following last week's general election.

Mr. Weizman, who had opposed the Camp David accords, has shown reluctance to go beyond the Camp David accords to pursue negotiations with other Arab governments.

Although Likud received 41 seats to Labor's 44 seats out of a total of 120, it was thought to have more ideologically common ground among the 13 smaller parties that won representation in the new parliament, and therefore in a better position to form a government.

But Mr. Weizman, whose small Yesh Atid Party stands in the center of the political spectrum, said throughout his campaign that his supporters could go either way.

Mr. Weizman was also reported to have advised Labor, which is headed by Shimon Peres, to seek some coalition partners from among the more moderate religious parties, as well as from the Labor party.

Albanians do not want capitalist handouts, they say. They do not want loans or foreign aid. But they do want new markets to serve as outlets for their abundant natural resources.

Albania is fiercely independent and fearful of foreign influence. Its delegates at the United Nations and other international forums are notorious for denouncing friends, as well as long-time foes.

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Polish Dissident Condemns Amnesty Conditions as Too Strict

By Bradley Graham
Washington Post Service

GDAŃSK, Poland — A top-ranking member of the outlawed Solidarity union, who was freed from jail last week, has attacked the amnesty conditions set by the government for the surrender of underground activists as too demanding.

Andrzej Gwiazda, a former union vice chairman, said Saturday that underground political activity must continue because of the loss of the legal umbrella for opposition that was once provided by Solidarity.

As he spoke, Polish authorities reported the release of about one-third of the 35,000 political activists and common criminals who are expected to be freed under a broad amnesty approved on July 21.

Meanwhile, however, the government appeared to be delaying the release of the most senior Solidarity members and advisers. Only a few of the best known union activists have been released, among them Mr. Gwiazda, Grzegorz Palka, the Lodz regional leader, and Wladyslaw Frasyniuk, regional chief at Wroclaw.

Government officials have declined to provide a schedule for the freeing of other key activists, saying that all political prisoners will be freed within the next three weeks.

The amnesty is the most sweeping ever enacted in

Poland. Mr. Gwiazda and other critics have condemned the measure primarily because of its approach to the Solidarity underground movement.

The government has promised not to prosecute opposition activists who surrendered before the end of the year. But they must confess to crimes committed while they were underground and promise in writing to refrain from further opposition activity.

A special amnesty provision was aimed at top-ranking underground members. To be freed, they must make extremely detailed confessions and give up whatever tools they used in underground work, such as radio transmitters or forgery kits.

The way the authorities formulated the amnesty suggests they really don't want the underground to surface: the conditions are tougher than last year," said Mr. Gwiazda, referring to the amnesty of July 1983 announced in connection with the formal lifting of martial law.

In addition, Poland's Roman Catholic primate, Cardinal Jozef Glemp, was said by a church source to have objected in a letter to the Polish parliament to the terms fixed for the underground.

Why Polish authorities decided to compromise the generous release of all political prisoners by taking a relatively hard line toward the underground is open to speculation. Some opposition members believe that

the contradictory moves reflect a bargain struck among factions in the leadership.

"If the amnesty had been made a bit wider with regard to the underground, then a genuinely new demands would have been created," said Jan Jozef Lipski, a literary critic who had been charged in connection with his membership in the Workers' Self-Defense Committee, or KOR, and who was amnestied last week.

"The situation can't be expected to change much," he said. "The main underground members won't surrender. And in a situation where the underground exists, we'll have political prisoners again."

During the last two and a half years of political repression, Poland has witnessed a flowering of clandestine activity in the form of underground journals, uncensored cabaret performances in private apartments and unsanctioned lectures and conferences. The nominal guiding force for this work, and particularly for more demonstrative opposition actions, has been a small corps of Solidarity fugitives known as the Temporary Coordinating Committee.

Mr. Gwiazda said the committee was having an increasingly difficult time coordinating the underground movement. Mr. Gwiazda said he doubted that the committee members would surrender but thought

they should stop considering themselves the central organizing group.

Of all the dramatic moments in August 1980 when striking workers confronted Polish authorities with demands for free trade unions and more pay, the most poignant in retrospect involved Mr. Gwiazda.

At that time he was deputy to the workers' main negotiator, Lech Walesa. Toward the end of government-worker negotiations, Mr. Gwiazda leaned across a table and asked Mieczyslaw Jagielski, a deputy prime minister: "What guarantees do we have that in a year's time the strikers and members of this president won't be treated as common criminals?"

Mr. Jagielski is reported to have indignantly replied: "Mr. Gwiazda, you have made an insinuation that I must say has disappointed me. After all, I'm talking to the most upstanding of people. How could anyone ever treat the activists gathered here in such a manner?"

Mr. Gwiazda forgot about that exchange as the union grew in size and power. But he was reminded of his initial misgivings when he returned home last week. On his apartment wall was a Solidarity poster with his question to Mr. Jagielski inscribed on it. "I'm happy to be able to show, at least, that from the beginning I had a sense of what was going to happen," he said.

WORLD BRIEFS

Cosmonauts Back From 13-Day Flight

MOSCOW (AP) — Three Soviet cosmonauts aboard the Soyuz T-12 spacecraft returned to Earth on Sunday after a 13-day mission including work aboard the orbiting Salyut-7 space station, Tass said.

Vladimir Dzhanibekov, the mission commander; Svetlana Savitskaya, the flight engineer; and Igor Volk, a researcher, landed in central Kazakhstan just before 5 P.M., the Soviet news agency said.

Ms. Savitskaya, 35, made history twice on the mission, becoming the first woman to make two space flights and the first to walk in space.

Libya Announces Military Maneuvers

Tripoli, Libya (AP) — Libya has announced that it is carrying out large-scale military maneuvers using live ammunition in and around Tripoli.

The announcement Saturday by the official JANA news agency followed accusations by Libya that the United States had been carrying out provocative military maneuvers off the Libyan coast in the Gulf of Sidra. Earlier, JANA claimed that 164 U.S. F-14 jet fighters flew over the disputed Gulf of Sidra for several hours on Thursday. It said Libyan jets chased away some of the U.S. planes.

The maneuvers would involve "militarized units that have been trained in using all types of weapons as well as units from the Libyan Arab air force and air defenses," JANA said. It gave no other details.

More U.S. Help for Afghan Rebels

WASHINGTON (WP) — The House Appropriations Committee has approved \$50 million in new covert assistance this year to the rebels fighting the Soviet-backed government in Afghanistan, congressional sources said Friday.

The action, if left intact by the House and the Senate, would raise the total for this year to about \$85 million, according to a source familiar with the appropriation. Unlike the CIA's involvement in Nicaragua, the CIA-backed effort in Afghanistan has wide bipartisan support in Congress.

The Reagan administration requested the extra assistance to offset rebel losses of equipment during recent Soviet attacks in the Panjshir Valley north of Kabul.

Bonn to Probe How Iraq Uses Plant

BONN (Reuters) — Chancellor Helmut Kohl of West Germany has called for an investigation into the possibility that Iraq could use a German-supplied pesticide manufacturing plant to produce chemical weapons, a government spokesman said Sunday.

He said the cabinet discussed the issue after being told by the United States that Iraq could adapt the plant to produce poison gas for use in its war with Iran. Mr. Kohl said West German experts could go to Iraq if allowed.

The firm which supplied the plant, being assembled near Baghdad, said poison gas production could not be completely ruled out. Iraq has denied reports that it is using chemical weapons against Iran.

Liberals Ask Self-Rule for Falklands

LONDON (Reuters) — The 1,800 inhabitants of the Falkland Islands should be granted internal self-government under the Argentine flag, a committee of Britain's opposition Liberal Party urged Sunday.

The party's Latin American affairs committee said the islands had been effectively under British military occupation since the 1982 war, and urged a change in what it called Prime Minister Margaret Thatcher's "Fortress Falklands" policy.

The report published by the committee does not represent party policy, but sources said it could be adopted later this year.

Sudan Arrests Alleged Terrorists

KHARTOUM, Sudan (UPI) — Security authorities have arrested four Sudanese nationals suspected of being sent by Libya to carry out assassinations and subversive actions, the Sudan News Agency reported.

Quoting security officials, the agency said Saturday that the group planned to assassinate President Gaafar Nimeiri and First Vice President Omar Tayeb and blow up the U.S. Embassy, the headquarters of the Libyan opposition and other economic and military installations.

The agency said the four confessed they were members of the Libyan-backed Sudanese People's Socialist Front, which is based in Tripoli. Officials told the agency that the suspects had confessed that they had been trained by Libyan, Iranian and dissident Palestinian officers.

Study Predicts Need for U.S. Draft

WASHINGTON — The Reagan administration's plans to expand the armed forces and deploy more highly sophisticated weapons could make the resumption of a peacetime draft necessary by the 1990s, a study by the Brookings Institution, a public policy research center, said Sunday.

The report said that the all-volunteer military services are likely to become undermanned because of a declining number of qualified recruits and a greater demand for highly skilled personnel to deal with more advanced weapons.

Unless the American people can be counted on to support peacetime conscription, the study concluded, "it would be risky either to expand the size of the armed forces or to develop increasingly complicated weapon systems."

Injured Spanish Basque Leader Dies

BORDEAUX (Reuters) — A suspected leader of the Spanish Basque separatist movement ETA (Basque Homeland and Liberty) died Saturday in a hospital here from serious burns sustained in a bomb attack in France last month, the hospital announced Sunday.

Tomas Perez Revilla, 48, believed to have been one of the dozen top leaders of ETA, was one of two men seriously wounded when a bomb concealed in a motorcycle exploded on June 15 outside a bar in Biarritz.

Responsibility for the attack was claimed by the rightist Anti-Terrorist Liberation Group, which claims to have killed eight Spanish Basques in France in a war of revenge.

Neo-Gaullists Oppose Mitterrand Plan

PARIS (Reuters) — The French Senate, which is dominated by the opposition, appears to be on a collision course with President Francois Mitterrand after the neo-Gaullist Rally for the Republic Party announced that it would block his plans for a referendum.

Charles Pasqua, the RPR's chairman in the Senate, said Friday that he would propose that the upper house reject the draft referendum. The other main opposition group in the Senate, the center-right French Union for Democracy, or UDF group, has already taken a similar stand.

Seeking to disprove opposition claims that Socialist policies are a threat to freedom, Mr. Mitterrand has proposed that the people be consulted on a change in the constitution to allow referendums on issues involving personal liberties. However, the draft referendum requires the agreement of both the Senate and the Socialist-dominated National Assembly. The RPR decision Sunday threatened to frustrate Mr. Mitterrand's project.

For the Record

Britain has barred a New York lawyer, Martin Galvin, a spokesman for the pro-Irish Republican Army Irish Northern Aid Committee, from visiting Ulster in August. British officials said on Saturday. A government spokesman said Home Secretary Leon Brittan had banned Mr. Galvin "on the grounds his exclusion is conducive to the public good."

The Communist Party leaders of Romania and France have called for a halt to deployment of American and Soviet missiles in Europe. The statement came in a communiqué following a meeting of President Nicolae Ceausescu and Georges Marchais, secretary-general of the French Communist Party, on Friday.

A dancer in the Soviet Bolshoi ballet, Yelena Maximova, 45, was found Sunday with her wrists cut after an apparent suicide attempt, the Italian news agency ANSA reported.

(Reuters)

Moscow Assails Olympics As Hollywood-Style Show

Reuters

MOSCOW — The Soviet Union, which is leading a boycott of the Summer Olympic Games in Los Angeles, condemned the opening of the Games as a Hollywood-style propaganda show heralding an unsuccessful competition.

Soviet television and radio virtually ignored the opening ceremony Saturday, but Sunday a report from Los Angeles by the official news agency Tass described it as "an obvious political spectacle."

"This show, in the worst traditions of Hollywood, had it all: cowboys, wagons and bare-legged girls with many American flags, but no place for the Olympic ideals of sport and international friendship," Tass said.

Tass said that athletes from the United States' allies in the North Atlantic Treaty Organization were greeted by the crowd with a roar of welcome produced at the instigation of official cheerleaders, while a grim silence met delegations from countries hostile to U.S. policies.

"The Games are being used shamelessly by the American authorities as propaganda for their wicked anti-Soviet course and as an advertisement for the present incumbent of the White House," Tass said.

The Soviet agency also mocked an address by Peter Ueberroth, the Olympics chairman, saying:

"Before you are the best athletes in the world," deliberately ignoring the fact that the leading sporting powers in the world were unable to take part because of the American authorities' gross violations of the Olympic charter.

Tass said the atmosphere of the Games and the state of crime that had preceded their opening demonstrated the extreme danger to athletes in Los Angeles.

Concern for the safety of participants was the prime cause cited by Moscow for its withdrawal from the Games, in which it was subsequently joined by most of its allies, including East Germany, one of the



Sam the Eagle parades at the opening ceremonies.

which is not a member of the Warsaw Pact, were widely acclaimed as among the most successful, colorful and nonpolitical in recent Olympic history.

Mr. Reagan said in a television interview Saturday that the world would have benefited if the Soviet Union had sent a team to the Games, "but they're the losers" by their boycott.

Referring to the athletes, Mr. Reagan said, "I bet if we turned some of the problems of international relations over to them, they'd solve them before tomorrow."

Asked if he thought the Russians should have been in attendance, he replied, "I think it would be better for the world if they were, but they are the losers."

U.S. Indicts A Sandinist In Drug Case

By Leslie Maitland Werner
New York Times Service

WASHINGTON — A federal grand jury in Miami Friday indicted an aide to Nicaragua's minister of the interior along with 10 other men on charges of drug trafficking stemming from an undercover operation.

Mr. Hoxha, 76, is guru, statesman, philosopher and father figure to his people. He is a prolific writer, and his books spell out the rules for domestic and foreign policy. He also has a reputation for being ruthless in dealing with dissent.

Mr. Hoxha's heavy-handed social claims many achievements. Electricity is available to everyone and there are hundreds of miles of new railroad lines. There are hospitals and clinics throughout the country.

There are no foreign debts, there is no trade deficit and there is no inflation. The prices of the 1980s are the prices of today.

Divorce is rare, cohabitation banned and abortion unthinkable. In 1944, women wore veils and were sold to prospective husbands. Today, women have the same rights as men, including equal job opportunities and equal pay. There are three women on the 18-member Council of Ministers, which sees that domestic and foreign policies are carried out.

Albanian diplomacy is refreshingly straightforward and frequently very basic. The country has no diplomatic relations with Britain, for example, at least in part because the British refuse to give back some crown jewels they made away during World War II.

If, as it claims, Albania is not isolated, it is certainly protective of its frontiers. Its countryside is dotted with concrete bunkers and its military alert for the slightest intrusion.

On June 18, according to news reports, Albanian troops shot at two employees of the Club Mediterranee who were on a fishing trip from the island of Corfu. Several days later, the body of one of the employees, Jean-Marie Masselin, was found by Greek fishermen near the Albanian coast. He had been shot in the head.

Albanian officials denied shooting anyone. Mr. Mitrush said, "We

might have questioned them but we didn't detain them or shoot one of them, although we had every right to arrest them, don't you think?"

The apostles of modern Albania are Marx and Lenin. But the living legend and the unchallenged leader of his three million countrymen is Enver Hoxha.

Mr. Hoxha, 76, is guru, statesman, philosopher and father figure to his people. He is a prolific writer, and his books spell out the rules for domestic and foreign policy. He also has a reputation for being ruthless in dealing with dissent.

The complaint was accompanied by the sworn testimony of an agent of the Nicaraguan official, Frederico Vaughan, who was already charged in a criminal complaint filed July 18 in Florida.

Three of those charged have been identified by the Justice Department as top-level traffickers in Colombian cocaine — Carlos Lehder Rivas, Pablo Escobar Gavira and Jorge Ochoa.

Mr. Lehder is a fugitive from a 1981 indictment for cocaine trafficking brought against him in Florida. He has been linked with Robert L. Vesco, a fugitive from the United States and with narcotics trafficking in the Bahamas.

The complaint was accompanied by the sworn testimony of an agent of the Nicaraguan official, Frederico Vaughan, who was already charged in a criminal complaint filed July 18 in Florida.

The affidavit said Mr. Vaughan had worked directly with an informant for the drug agency, who took pictures of Mr. Vaughan and Mr. Escobar helping load cocaine on a plane.

According to the indictment, about \$100,000 in cash was taken from the plane to be sent to Florida. The affidavit said Mr. Vaughan had been paid \$10,000 for his services.

Less appealing to Western sensibilities, perhaps, is the fact that the state runs almost everything. Production goals are set by committee and each factory and farm has its quota. Work-shirkers face jail terms.

Religion was eliminated in 1967. There is only one political party.

Albanians are not allowed to own private cars. Instead, they rely on horses, motorbikes and bicycles.

No one seems in a hurry to join the computer age.

TUESDAY: In the countryside,

Grenada Interim Regime Is Returning Businesses, Land to Private Ownership

By Joseph B. Treaster
New York Times Service

AMERICAN TOPICS

Greeting Tax Agents With Guns Won't Do

When three agents of the Internal Revenue Service called on Jerome Przybyla of Anchorage, Alaska, last year to seize his property in payment of back taxes, he was waiting with a gun and ordered them to leave.

He justified his action by quoting from one of the tax agency's own pamphlets, which advises: "You have the right to refuse to permit collection personnel to enter upon your private property when the purpose of the visit is to conduct a seizure of your assets."

But the 9th U.S. Circuit Court of Appeals shot down Mr. Przybyla's argument last Tuesday. "Nothing in the IRS pamphlet implies that a taxpayer could use a weapon to enforce his request" that agents leave his property, the court ruled.

The court failed to rule whether Mr. Przybyla had a legal right to order the agents to leave. But even if such a right existed, "use of a weapon was unlawful," the court said.

The court upheld Mr. Przybyla's conviction of assaulting an IRS agent and impeding the administration of tax laws.

Whites Not Allowed To Adopt Black Child

A white Maryland couple has gone to court in their quest to adopt a retarded black child who state authorities insist would be better off with a family of his own race.

Lawyers for James and Jackie Haas say that the state policy that makes race "a paramount factor" in adoptions is unconstitutional. But the Maryland Department of Human Resources says it is not discriminatory to look for a black family first.

The state does not rule out interracial adoptions, but officials say they are required to "attempt to protect a child's

cultural heritage" by seeking to place a child with family of the same race whenever possible. The state has been looking for eight months for a black home for the 3-year-old boy, who also has cerebral palsy and hearing and vision problems.

The National Association of Black Social Workers opposes the placement of black children in white homes for any reason. The National Committee for Adoption in Washington agrees with the concept of preserving a child's racial and cultural heritage, but says it is unfair to leave black children waiting in institutions when there are white families ready to adopt them.

Pay at World Bank Raises Congress's Ire

A World Bank proposal to increase salaries by 5 percent for its 6,000 employees is raising a fury in Congress and the Reagan administration.

The United States position, a Reagan administration official said, is that the proposed pay increase is "not justified" and "incongruous" against demands for pay freezes and pay cuts in many developing countries. World Bank officials say they are competing with the private sector for professional talent and have to pay professional wages.

Pay and fringe benefits at the bank are comparable to those at its companion institution, the International Monetary Fund; both are already seen as overly generous. Representative Andrew Jacobs Jr., Democrat of Indiana, has said that more than 500 of the fund's 1,650 staff members make more than \$67,500 a year. The U.S. House of Representatives voted last November to withhold the U.S. contribution to the fund if it did not cap its employees salaries at \$67,500, but the measure did not survive a House-Senate conference.

The World Bank has already

drawn criticism by erecting a new \$96 million office building on one of the capital's most valuable sites.

Notes on People

Surveying the toughest bosses in America, Fortune magazine says the most hardened of all may be John Welch Jr., chairman of the General Electric Co. Mr. Welch, who earned the nickname "Neutron Jack" by announcing the closing of 25 plants, got more than twice as many nominations as the runners-up. "According to former employees, Welch conducts meetings so aggressively that people tremble," the magazine reports. Other tough bosses include William Klopman, head of Burlington Industries Inc., whom Fortune terms "autocratic and aloof," and the president of Intel Corp., Andrew Grove, a "connoisseur of confrontation."

All printed up with no place to go, thousands of Kellogg's Corn Flakes boxes feature pictures of the former Miss America, Vanessa Williams. The promotional boxes were to be distributed at a convention of the Urban League, a black civil rights organization, as part of a company public relations program. The packages are "no longer current," says the company. Miss Williams resigned following Penthouse magazine's publication of nude photos showing her and another woman in sexual poses.

The Chicago Board of Education has voted against renewing the contract of Dr. Ruth R. Love, the city's first black superintendent. Dr. Love, whose \$120,000 salary makes her the highest paid public official in Illinois, characterized the move as "political" and accused several officials, including Mayor Harold Washington, of betraying her. She said many people had not forgiven her for remaining neutral in last year's heated mayoral campaign.

Republican Strategy: Put Democrats on the Spot

By Steven V. Roberts
New York Times Service

WASHINGTON — Republicans in Congress are planning an aggressive effort in the coming weeks to promote the legislative agenda outlined by President Ronald Reagan at his news conference Tuesday and in political advertisements being broadcast across the country.

The resolution, which passed easily, placed Republicans in the uncomfortable position of either abandoning the president or voting for a woman whose record as head of the Environmental Protection Agency made her an enemy of many voters who favor stricter enforcement of anti-pollution statutes. She was forced to resign last year.

"The fact of the matter is, we want to put people on record," said Representative Trent Lott of Mississippi, the Republican whip.

The congressional campaign, Mr. Lott said, is being closely coordinated with the White House and Mr. Reagan's re-election effort.

Democratic leaders said the Republican effort signaled the president's team was nervous about the November elections.

"It means we scored in San Francisco," said Representative Tony Coelho of California, chairman of the Democratic Congressional Campaign Committee. "They wouldn't be going through this effort if we hadn't done so well at the convention."

The message Mr. Reagan used at the beginning of his news conference is being repeated in a television commercial showing the president seated in the Oval Office. In it, Mr. Reagan calls for Congress to pass six measures related to work, thrift and religious values.

Republican leaders said that by pushing these measures to a vote, they cannot lose politically. If the Democratic-controlled House blocks consideration, they risk being labeled obstructive. If the leadership allows a vote, many Democrats, if they vote against the measures, could risk offending important groups of constituents.

The first measure, a constitutional amendment to require a balanced budget, came before the House in the last session and was defeated. Democrats emphasize that Mr. Reagan has not proposed a balanced budget since taking office. House Republicans are gathering signatures to force a floor vote, and Democrats expect the showdown to come in September.

A measure on tuition tax credits has already been defeated by the Republican-controlled Senate, and Robert J. Dole of Kansas, a Republican who is chairman of the Finance Committee, says it has no chance of being revived. Democrats note that tax credits would be very expensive but they concede that the issue appeals to some voters.

They meet three times a year. They don't do anything. It's a joke," she told an audience in Vail, Colorado, on Friday night.

Her appointment was widely criticized and led to a 74-to-19 vote in the Republican-controlled Senate calling for the withdrawal of her appointment.

Mrs. Burford, in remarks reported in The Denver Post, also said that the District of Columbia is "too small to be a state but too large to be an asylum for the mentally deranged."

But the Democrats also acknowledged the shrewdness behind the Republican effort and were already planning their counterattack. Last week, for instance, they forced a Senate vote on a resolution urging Mr. Reagan to withdraw the nomination of Anne M. Burford as chairman of a presidential advisory committee.

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ers, particularly Roman Catholics.

Republicans have consistently scored points in recent years on the crime issue, and Democrats are now trying to cover their flank. Both houses passed a crime package last year and Democrats complain that Mr. Reagan vetoed it. The new assortment of bills promoted by Mr. Reagan was actually co-sponsored in the Senate by the House on the ground that it would cost too much. Republicans hope the issue will appeal to women voters. Democrats say it would only help relatively wealthy women.

Under a plan backed by Mr. Reagan, tax credits for investing in de-

caying urban areas. This plan was also dropped in the tax conference because of its cost. But it is popular with urban legislators and free-enterprise Republicans and could get tax credits for investing in de-

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tax

By Henry A. Kissinger

The West and Moscow: Proclaiming a Desire for Peace Is Not a Foreign Policy

It is nearly nine months since the Russians walked out of the major arms control negotiations. In this age of the peril of nuclear catastrophe, the West must contribute creative policies toward saving the dialogue. And the beginning of creativity must be a diagnosis of the problem free of clichés and stereotypes.

The notion that American lack of ingenuity in devising new negotiating formulas is a major contributor to the diplomatic stalemate is of only wrong; it is dangerous because it removes Soviet incentive for serious dialogue.

Three facts must be faced:

- The erratic early phases of the Reagan administration are not fundamentally at fault; Soviet behavior is.

- Importuning the Russians to some negotiations they should have left will not break the impasse; it is indeed likely to deepen the stalemate.

- If peace becomes the sole objective for foreign policy, blackmail will rule diplomacy. Fervent proclamations of the desire for peace are not a foreign policy; the concept of peace must be given a concrete content.

No doubt the strident anti-Soviet rhetoric and the episodic policymaking of the early Reagan administration inflamed Soviet attitudes. It is also true that the administration has made clear, almost polemically, its eagerness to negotiate. Every overture has been rebuffed; as the administration has reversed its earlier attitude the Soviet Union has raised the ante.

East-West negotiations should be as inevitable as they are necessary. The perils of the nuclear age

weigh equally heavily on both sides. Whatever its delinquent rhetoric, the Soviet system — wracked by economic crisis, facing a wholesale replacement of its aged leadership — needs a respite at least as much as the West does.

Each side must recognize that it

This is the second of 10 articles by the former U.S. secretary of state. The next one will appear on Sept. 24.

exist for a decade while weapons being built daily are to be excluded from the dialogue.

That such an irrational proposition could put the administration on the public defensive shows that for far too many the desire for negotiations overwhelms an analysis of their substance?

There may be several reasons for this Soviet conduct. Perhaps the Soviet Union wants to prevent the administration from claiming that its early rhetoric was no obstacle to diplomatic progress. Conceivably the secessionist Soviet leaders are engrossed in a permanent succession crisis and are not able to muster the requisite coherence for a consistent negotiating strategy. Or the Kremlin may believe that it is on to a strategy that is working: to isolate the United States by exploiting the West's nervousness with deadlock.

Remarkably, this perverseness is being evoked almost entirely by Soviet rhetoric. Soviet actions have been extremely cautious; there have not been in recent years any significant geopolitical challenges. The Russians have pursued essentially psychological warfare; they seek to substitute words for deeds.

A deadlock of this kind cannot possibly be broken by Western importuning. How many more times must the president reiterate an incisive statement made before a specialized audience over two years ago? How many more Western statesmen must journey to Moscow seeking to revive negotiations wrecked by the Russians? Does Washington really require allied ministers to certify its sincerity in the Soviet capital? Or does this dithering convince the Russians

that intransigence pays because it demoralizes the West and elicits minimal concessions?

Most of the so-called "remedies" offered for the crisis in East-West relations are therefore likely to backfire.

A case in point is the old standby advocated by many and accepted in principle by the administration: an early summit meeting between the Soviet and American presidents. There is no instance in the postwar period where an unprepared summit conference did not rapidly lead to a worsening of relations.

Summit meetings are best used to confirm and dramatize agreements already worked out. They are not intellectual forums to break a deadlock; contestants can rarely act as their own umpires. And a failed summit meeting does not return matters to the starting point; ground is lost because the prestige of the heads of state is engaged.

CURRENT Soviet negotiating positions can be most charitably described as one-sided. The United States is clearly willing to make an agreement limiting missiles in Europe to a low number. Yet the Soviet Union adamantly insists that the 41 U.S. Pershings and cruise missiles in Europe with single warheads now confronting more than 350 Soviet SS-20s with multiple warheads must be withdrawn prior to any further negotiation.

What that negotiation would then involve is not clear. The Russians' purpose must be to achieve the beginning of the neutralization of Europe by establishing a Soviet veto over the North Atlantic Treaty Organization's nuclear deployment.

The same nearly contemptuous intransigence characterizes the Soviet approach toward demilitarizing outer space. Surely there is something grotesque about the Soviet insistence that priority be given to talks on weapons that will not

exist for a decade while weapons being built daily are to be excluded from the dialogue.

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CONGRESSIONAL efforts to lay down specific negotiating conditions also complicate diplomatic prospects. For example, MX deployment has been approved only if no negotiations have taken place by a certain date. This puts the Russians in the position to stop a major United States procurement program by the simple device of remaining to conference they should never have left.

To make matters worse, in every Western country except France the opposition parties demand even more essentially unilateral concessions. To preempt criticism, governments are thus tempted into pleats, reassurances, and proposals irrelevant to or inconsistent with

their more prudent judgments. This is surely a factor in the difference with which the American administration has responded to one-sided Soviet proposals and the eagerness with which it has sought negotiations on the most peripheral — occasionally trivial — subjects.

What started as a Soviet tactic — possibly nurtured by Western chauvinism — thus may develop a momentum destructive of rational dialogue.

The desirability of negotiations cannot be an issue; their content must be, lest peace turn into a slogan to demoralize the fearful and to seduce the wishful. We cannot talk the Russians into returning to the conference table. But we do have an opportunity to prepare ourselves for when their sense of reality impels them to do so. The best use of the current period of stalemate is to clarify our own program for peace:

- I see no point in opening talks on outer space in the middle of our election campaign when the bipartisanship necessary to sustain results is in short supply, when the Russians may be tempted to embitter a unified administration and the administration may be inhibited by the fear of the political consequences of a perceived failure.

The administration should answer the Soviet attempts to impose a one-sided agenda by postponing talks to a fixed date soon after the election.

- The time has come to face the fact that arms control negotiations

are not the best forum for fundamental breakthroughs. On each side positions — and assessments of the adversary's positions — emerge from a process that places a premium on the esoteric advice of experts who have studied the subject for more than years than government leaders have spent on it. Leaders must find their way through technical gobbledygook upon which their diplomacy depends but which they have no criteria to assess. This is bound to increase the congenital insecurity of high office — whether in Washington or Moscow — and lends itself to bureaucratic power plays incomprehensible to the other side.

THERE IS NO TECHNICAL WAY around a political negotiation. The most audacious reduction of strategic arms conceivable — say four-fifths of existing arsenals — would leave enough warheads in the possession of each side (more than 5,000) to devastate humanity.

• With respect to the space negotiations, the interval between now and the U.S. election should be used to develop a position on the relationship between offensive and defensive forces. Without it we will be whipsawed both at the conference table and at home.

- Urgent consultations should take place between the United States and its NATO allies on what will surely be the first Soviet move when the Kremlin decides to re-open negotiations on European-based missiles: an offer to return to the conference table if the allies freeze their build-up — guaranteeing the Russians an edge of 8 to 1.

Even more important is a common-agreed-upon analysis of long-term Soviet strategy because seriously differing interpretations now being swept under the rug prevent the emergence of a unified allied response.

And the resolution of the disputes over NATO strategy is central to both a realistic defense as well as a realistic arms control policy.

— The administration should

make itself a factor in our elections; to commit our nation to serious and comprehensive negotiations; to establish criteria by which to judge progress.

Commitment to the goal of peace must be allied with a definition of the content of peace. Such a course would give us the staying power until reciprocal necessities — not unilateral, demeaning pleas — move the Russians to seek with us the basis for a just and honorable settlement.

Nothing would spur negotiations more than a demonstration of unity on foreign policy objectives, which the winner in November will require in any event. Bipartisan forums exist to study the strategic issues. And, who knows, it might even turn out to be good politics to liberate a presidential campaign from quick fixes or apocalyptic appeals.

But the administration should pursue this course even if we are too close to the election to work out bipartisan restraint before Nov. 6.

In truth it has no choice. In the long run democracy can thrive only if one assumes that good policy is compatible with good politics.

Good policy requires that we deal with these challenges: to convey clearly that the Kremlin cannot make itself a factor in our elections; to commit our nation to serious and comprehensive negotiations; to establish criteria by which to judge progress.

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Fred Waring Dies at 84; Was Big Band Leader

United Press International

DANVILLE, Pennsylvania — Fred Waring, 84, a popular and leader whose career outlasted the Big Bands era to reach television and electronic music, died Sunday complicated from a stroke, officials said here.

He had been taken to a hospital Saturday evening from his music workshop in State College, Pennsylvania.

Mr. Waring, a native of Tyrone, Pennsylvania, led the Pennsylvania and later The Young Pennsylvanians, a blend of glee-club arrangements and orchestra famous for its velvet-smooth renderings of additional favorites.

While Mr. Waring was known internationally as a musician, he was also an inventor of note. His successful Waring blower was one of the first of a new generation of odd-processing appliances.

His groups headlined on their own and also accompanied top entertainers such as Frank Sinatra, Crosby, Hoagy Carmichael and Irving Berlin. As recently as 1979, Mr. Waring and his Young Pennsylvanians played in 90 cities a 24-state tour.

Mr. Waring appeared in Hollywood's first talking pictures and became one of the first stars of television. Later, he recorded what is said to be the first electronic music album.

His group starred in the first musical motion picture, "Syncopation." Throughout his career he

played the great American music halls.

Last December he received the Congressional Gold Medal, the highest civilian honor in the United States, from President Ronald Reagan.

Mr. Waring, the son of a banker, got his first job as a musician at age 16. Later, with some neighborhood youngsters, he started Waring's Banjo Orchestra, playing at dances, traveling on milk trucks and eating simple fare that included soda crackers and water.

Colonel Gilbert Rémy, 79, French Resistance Figure

The Associated Press

GUINGAMP, France — Gilbert Rémy, 79, who as "Colonel Gilbert Rémy" joined the Free French Forces in London and from them directed an intelligence network in occupied France, died here Sunday.

Colonel Rémy was in this Breton town to attend anniversary ceremonies for Resistance fighters from the area. He died in his hotel room, apparently of a heart attack.

Before the war, he had headed a group financing film production. On June 28, 1940, he went to London to join de Gaulle's Free French Resistance movement, there taking "Colonel Rémy" as his nom de guerre.

He lived with his wife, Edith Sturant Anderson, in the Breton town of Lannion.

George Gallup, Polling Pioneer, Is Dead at 82

New York Times Service

NEW YORK — George Gallup, 82, who pioneered techniques of public-opinion polling and did much to make it a key tool in politics, government, business and scholarship, died Thursday at his summer home in Tschingel, Switzerland, apparently of a heart attack.

Mr. Gallup became known nationally with a successful prediction in 1936, based on his polling, that Franklin D. Roosevelt would beat Alf Landon in the presidential election. And his reputation survived the Gallup Poll's incorrect forecast in 1948 that Thomas E. Dewey would defeat Harry S. Truman, an error that Mr. Gallup blamed on ending the polling too early.

It was in 1935, after Mr. Gallup had been hired to do research for the New York advertising agency Young & Rubicam, that he founded the Gallup Poll.

Churchill once contended that "nothing is more dangerous than to live in the temperamental atmosphere of a Gallup Poll," always taking one's temperature."

Mr. Gallup was born in Jefferson, Iowa, a small rail junction in the center of the state.

He earned his bachelor's degree at the State University of Iowa in 1923, and remained there for his master's degree in 1925 and his doctorate in 1928. After teaching journalism at Iowa, Drake and Northwestern universities, Mr. Gallup became director of research at Young & Rubicam in 1932.

His son, George Gallup Jr., is president of the Gallup polling organization, the American Institute of Public Opinion, in Princeton, New Jersey.

Other details: Jeanne Modigliani, 65, daughter of the Italian artist Amadeo Modigliani, in Paris from a cerebral hemorrhage caused by a fall, her family said Saturday. A teacher of Italian, she had been preparing a major centenary exhibition of her late father's works.

Colonel Edward J.F. Glavin, 81, who helped conduct the negotiations that resulted in the surrender of an "incinerator" to burn Catholics and throw in their priests as well.

His remarks sparked angry exchanges between Protestant and Catholic council members and police had to clear the chamber.

Howard B. Hollander, San Jose, Costa Rica.

A Brutal Harvest*

Regarding the report "Alaska Seal Slaughter Begins" (July 4):

The report states that 792 beavers were clubbed to death on the opening day of a scheduled "four-week harvest." I am dismayed by such smoke-screen language. This "harvest" is a brutal slaughter of totally helpless, innocent and feeling creatures.

HANS FISCHINGER,
Bogotá, Colombia

About East Germany

Regarding "East German Confronts Bonn Visit Despite Signs of Soviet Hostility" (July 21):

Central to an understanding of von Stauffenberg plot is the understanding of Prussian fascism. The sole remnant of Prussian imperialism, it had been militated by the ending of World War I and the Treaty of Versailles. With the rise of militarism under Hitler, the corps could use the porosity as a stepping stone to war. However, the defeat at Stalingrad

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Gromyko Does Not Expect Space Talks, McGovern Says

The Associated Press

MOSCOW — George S. McGovern, a former senator from South Dakota and the Democrats' 1972 presidential candidate, has reported after meeting Foreign Minister Andrei A. Gromyko that the foreign minister does not expect negotiations on space weapons to take place in September.

"We discussed the latest offer from the United States on the talks proposed for September in Vienna," Mr. McGovern said. He added that the Soviet foreign minister seemed convinced there would be no talks.

Mr. McGovern was in Moscow for a conference sponsored by the Washington Institute of Policy Studies and the Soviet Union's U.S.A. and Canada Institute.

nuclear-arms discussions at the talks.

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How Brown the Valleys Of Rain-Starved Wales

Prolonged Drought Has Seared Fields, Emptied the Region's Water Reservoirs

By R.W. Apple Jr.
New York Times Service

ST. DAVID'S, Wales — Wales is famous for rain.

"It descends with the enthusiasm of someone breaking bad news," wrote H.V. Morton, a British traveler, after a discouraging journey through these parts in 1931. "It comes down in a constant cataract. It blots out sea, sky and mountain. It flies, abetted by its companion, the wind, to the left and to the right. It even blows upward over the edge of high places. It finds its way up your sleeves and down your neck."

But it has done none of those things in the last three months. There hasn't been a proper rain-storm — an exuberant, stout-hearted, full-blooded Welsh rainstorm — since Easter. When it rained, said Alexander M. Falconer, a local businessman, "it's been a pathetic little drizzle, not the kind of thing we're used to here at all."

Richard Llewelyn wouldn't know the place; he had been writing it this parched summer, he would have had to call his book "How Brown Was My Valley."

The drought, according to the latest bulletin of the Water Authorities Association, is even worse than the one in 1976. In southeast Wales, where some communities began last week to experience three hours of dry taps a day, the engineers have installed a pump to extract a million gallons of water from an abandoned coal mine. Some of the reservoirs in the area are already empty; their bottoms are dry and cracked as an old shoe.

For the first time in two decades, you can walk through the remains of Capel Celyn, six miles (9.6 kilometers) from Bala, in North Wales, which was submerged to create a water-supply reservoir for Liverpool. Once the home of 50 people, with a school and a Methodist chapel, it was bulldozed. Only silty-covered debris remains. The water level is 50 feet below normal.

The weather hasn't been that warm; the maximum temperature Sunday was only 81 degrees Fahrenheit (27 degrees centigrade). But for the people who live here, accustomed to frosty Junes and blustery Julys, it seems positively tropical.

"I'm sorry," said a waitress in a pub at Wolf's Castle, a few miles to the east, after confusing an order. "It's the heat. I can't concentrate."

The drought has not been restricted to Wales. Devon and Cornwall in the west of England have also been stricken. In Scotland, the lack of rain turned the grass at the St. Andrews golf-course brown. So

that things would look right on television, the groundkeepers at the Royal and Ancient Golf Club used green aerosol sprays for touchups before the British Open last week.

But nowhere in this island does the lack of rain seem more incongruous than at the southwestern tip of Wales.

St. David's is the smallest city in Britain (population 2,500) — a city being defined in Britain as a place with a cathedral. St. David's has had one since about the 6th century. St. David, born here, preached the gospel in Wales long before St. Columba ever left Ireland for Iona in Scotland and long before St. Augustine ever left Rome for Canterbury.

St. David is the patron of Wales and he has given his name to the county in which the city is situated (Dyfed). Even as early as the 12th century, when the present cathedral was built, it was clear that St. David was born in a place with an unfortunate climate. To protect against the wind and rain lashing in from the Atlantic, they put it in the deep valley of the Alun River so that only its stumpy tower is visible from the main business street.

St. David's makes its living from tourism but not from its beaches. People come here to see the cathedral or to ride the orange rubber boats through the turbulent waters that separate the mainland from Ramsey Island. Colonies of gray seals, puffins, gannets and kittiwakes await offshore.

The boatmen wear heavy wet-suits. But on Sunday, Tim — a Manchester adventurer who settled in the city after stints in Australia and New Zealand — had to peel off his suit because of the heat.

To another veteran of disappointing Welsh summers, the wife of an Italian, the parched fields seemed reminiscent of the country around Urbino in Umbria. There was, indeed, something Italianate in the land that lay over these unusually verdant hills.

"The British," said a thoroughly British shopkeeper, "are never ready for the weather. We're surprised when it snows, astonished when the rain knocks down the power lines and helpless in every dry spell."

There is no national water "grid," so there is no way that the ample reserves of water in southeastern England can be transferred to the needy areas. People here and in other trouble spots complain that the lessons of 1976, the driest summer in 200 years, have not been learned.



Sir Geoffrey Howe and Wu Xueqian after the two foreign ministers held talks Sunday.

Howe Cites Progress in Talks on Hong Kong

Reuters

BEIJING — Sir Geoffrey Howe, Britain's foreign secretary, said Sunday that substantial progress had been made in talks with Chinese officials over the future of Hong Kong, which is due to revert to Chinese rule in 1997.

"Our meetings have led to substantial progress towards the goal for which we are both striving," he told Foreign Minister Wu Xueqian in a speech after a round of talks.

A Chinese spokesman also said that progress had been made in Sunday's talks. British sources described the atmosphere in the session as productive.

The talks Sunday followed a meeting Saturday between Sir Geoffrey and Mr. Wu in a heightened effort to reach an accord on the transfer of power in 1997, when Britain's lease on most of the territory expires.

Chinese ministers have pledged that Hong Kong will have considerable autonomy after 1997.

Minister Zhao Ziyang. Since that meeting had not been confirmed earlier, British sources saw it as a further indication that the talks were going well.

In London, The Sunday Times reported that Prime Minister Margaret Thatcher had sent a letter to Deng Xiaoping, China's most powerful leader, in a bid to resolve problems blocking an accord.

There was no confirmation of the report in Beijing. British sources said there was no indication whether Sir Geoffrey would meet Mr. Deng before leaving on Tuesday for Hong Kong.

Sir Geoffrey has emphasized that Britain will continue to run the territory until 1997; he is seeking a detailed, binding accord with Beijing on how Hong Kong will be governed after that. His trip to Beijing was seen as an attempt to bring greater pressure for such an agreement.

Chinese ministers have pledged that Hong Kong will have considerable autonomy after 1997.

U.S. Rebuffs Castro's Call for Talks, Demands Major Shift in Cuba Policy

The Associated Press

WASHINGTON — The State Department is ruling out comprehensive talks with Cuba until the government of President Fidel Castro changes some of its policies.

Alan D. Romberg, the department's deputy spokesman, said Friday that a speech by Mr. Castro on Thursday did not go far enough.

In his speech, commemorating the 31st anniversary of the start of his revolution, Mr. Castro said he was prepared to seek an improvement in relations with the United States.

"Just as we are ready to fight and die, we are not afraid to debate and talk to find solutions," Mr. Castro said.

"We will not reject any gesture that might reduce any tension in our area. We threaten no one. We cannot threaten anyone. Do we want war? No. We will wage war if it is imposed upon us. We are not warmongers," he said.

Mr. Romberg said that although Mr. Castro indicated he was prepared to continue talks on migration issues, including U.S. insistence that Cuba agree to the return of several thousand Cubans not eligible for permanent residence in the United States because of criminal records or health problems.

These Cubans were among the 125,000 who came to the United States aboard the Mariel boatlift in 1980.

The initial round of U.S.-Cuban talks on this issue was held in New York last month. Additional talks are expected but both sides are pledged to keep the time and place secret because of the possibility of threats on the Cuban delegation.

Previously, the Reagan administration has said that these areas include Cuba's relationship with the Soviet Union; its troop commitments to several African countries, especially Angola, and its alleged efforts to promote subversion in Central America.

"At least looking at the reports we have from Mr. Castro's speech, in addition to what we've seen in terms of action, we don't see that there's been a change," Mr. Romberg said.

Jeanne J. Kirkpatrick, the chief U.S. delegate to the United Nations, was more specific. An improvement in relations, she said, would be difficult as long as the Castro government "engages in the export of revolution and in the training and advising of guerrillas in this hemisphere and permits Cuba to serve as a base for the projection of Soviet power."

She added that there can be no significant improvement in relations if Cuba continues what she described as its systematic policy of repression of political dissidents on a massive scale.

She spoke at a gathering sponsored by the Cuban-American National Foundation, an anti-Castro group.

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MONDAY, JULY 30, 1984

International Herald Tribune

BUSINESS/FINANCE

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EUROBONDS

Continental Bond Holders Look Clever as Price Soars

By BOB HAGERTY
International Herald Tribune

LONDON — A week ago, holders of Continental Illinois bonds looked like chumps. By Friday, they were looking clever. The U.S. government's rescue program, announced Thursday, sent prices on the bank's Eurobonds soaring, though trading was fairly thin.

Junk bond watchers saw considerable significance in the decision by the U.S. Federal Deposit Insurance Corp. to route its rescue package through Continental Illinois Corp., the bank holding company, rather than directly to the banking subsidiaries: The holding company acts as guarantor for the Eurobond issues.

"The bonds are looking a lot more secure than they were," says Kim Fraser, a director at the bond trading firm of Société Générale, Strauss, Turnbull, At Ross & Partners, Perry Aldred reasons that Continental's new management would be reluctant to further mangle the bank's international image by failing to repay the bonds on schedule.

Even so, the bonds remain highly speculative, as illustrated by the still-hefty discounts.

Continental's 15%-percent Eurodollar bonds of 1989, for example, ended the week quoted at around 90, for a yield of 19 percent. A week before, they were languishing at around 65, where the yield was about 30 percent. The bank's two other Eurobond issues due next September and in 1986 respectively, showed similar price gains.

Mr. Aldred says the Continental bonds still look cheap. For the moment, though, "the big move has probably taken place," he says.

In the quality-obsessed mainstream of the market, the action was more subdued last week. Straight Eurodollar bond prices rose one to two points. In the U.S. market, the benchmark 13 1/4%-percent Treasury bonds of 2014 closed Friday at 103 3/16, a gain of 2 1/4 points from a week before.

The Eurobond market normally is less excitable than the U.S. market, falling less during slumps and climbing more modestly during rallies. But the current U.S. rally has left Eurobonds far behind. According to Salomon Brothers, top-quality 10-year Eurodollar bonds are yielding about 34 basis points (or hundredths of a percentage point) above U.S. Treasury issues. A week ago, the yields were about equal; in early June, the Eurobonds were 40 points below Treasuries.

Such a shift could suggest scope for a rally in Eurobonds, but dealers cite several reasons for the Euromarket to remain relatively sluggish.

It remains unclear whether yields have much further to adjust in response to the recent removal of U.S. withholding tax from U.S. bonds sold to foreigners. That move kicked an advantage out from under Eurodollar bonds. Now attention is focused on whether the Treasury will further enhance the appeal of U.S. bonds to Swiss and Benelux investors by allowing issues of bearer, rather than registered, bonds. Bearer bonds help investors preserve their anonymity.

They also can encourage tax evasion, though, and some bankers detect signals from the Treasury that it is reluctant to countenance that.

Also holding back the Eurobond market is a dearth of new issues. Some U.S. borrowers are unwilling to tap the market until the Treasury makes clear all of the regulatory implications of the removal of withholding tax.

Other borrowers would change in if they could swap their

(Continued on Page 9, Col. 1)

BIS Says Lending Declined

Third World, OPEC Get Less

Compiled by Our Staff From Dispatches

BASEL, Switzerland — The Bank for International Settlements reported Sunday that there had been a sharp drop in new loans by Western banks to OPEC and Third World countries in the first quarter of this year.

Lending declined in the three-month period to \$2.5 billion, down from \$17.6 billion in the last quarter of 1983, the BIS said.

Declines are common between the last quarter of one year and the first quarter of the following year and are largely attributable to seasonal influences, the report said. But the drop was particularly steep this year, it added.

By comparison, new loans in the last quarter of 1981 totaled \$2.5 billion but were \$6.5 billion in the first quarter of 1982, the report said.

The BIS is the central clearing house for all Western central banks but also gathers commercial banking data.

Deposits in Western banks by Organization of Petroleum Exporting Countries and Third World nations in the first three months of this year amounted to \$6.4 billion, which was about the same as in the last quarter of 1983, it said.

The BIS report said that in the nine months to mid-1983, OPEC countries had drawn down bank deposits by more than \$23 billion,

but since then they had expanded by \$2.2 billion, growing by \$400 million in the first quarter of 1984.

The turnaround "suggests a pronounced improvement in OPEC countries' underlying balance-of-payments positions," the BIS said.

New lending to OPEC countries in the first quarter totaled \$500 million, it said, while \$1.5 billion went to other developing countries, mainly in Latin America.

"There was no balance now leading to countries outside Latin America," the BIS report said.

Within Latin America, Brazil was the only major borrowing country, obtaining \$2.4 billion in new funds. (UPI, Reuters)

Commodities Fall Is Bad News for Third World

By Jane Scaberry
Washington Post Service

WASHINGTON — When the price of cattle drops, that is good news on the inflation front, promising lower meat prices in grocery stores. But it also sends shudders throughout cattle ranches in less developed countries that depend on the prices of commodity exports to help them pay their mounting international debts.

The prices of such commodities as beef, oil, iron ore and soybeans have been plummeting in recent months for the first time since the 1981-82 recession ended. The decline is unusual at this stage of an economic expansion, when demand for goods usually rises and, presumably, prices of commodities will climb.

The price of oil on spot markets, for example, has dropped steadily since mid-June, and many oil-exporting countries have been selling their crude supplies at as much as \$4 a barrel below their official prices.

Copper and grains also have been falling on world markets.

"The world recovery is not going very well," said David Wyss, senior vice president at Data Resources Inc. "Commodity demand is still

very low. The rest of the world is still in recession. Europe is not buying commodities."

Some economists, particularly supply-siders, say this unusual decline in prices is the precursor of a general downward spiraling of prices that will continue to sap economic strength, leading to a worldwide depression.

More moderate economists provide a less apocalyptic outlook, saying that the erosion of prices is signaling a slowdown in demand and will subsequently lessen credit pressures and allow for lower interest rates. As economic growth improves around the world, commodity prices should turn upward, they say.

There is agreement that the declining commodity prices have been a major reason for the low rate of U.S. inflation that has shown up in prices at the wholesale level. The U.S. Producer Price Index has remained unchanged for three consecutive months.

"We don't believe it's an indication the economy's about to take a nosedive" because of insufficient demand for goods or an overly restrictive supply of credit, said Alan Murray, an economist with Citicorp Information Services. Instead,

he said, the decline can be explained by some special factors affecting both specific commodities and the economy in general.

These factors include the recent increase in interest rates, which has contributed to a strong dollar and a resulting rise in the relative cost of commodities that are paid for in dollars or dollar-denominated currencies. The high relative cost depresses demand, boosting supplies, which presses prices downward.

However, prices have not dropped enough or for long enough to rekindle a growing demand for the commodities. In addition, the economies of most buyers of these commodities have not recovered enough to permit a stronger demand for the goods, economists would claim.

Ironically, many economists say that although the relatively steady drop in commodities prices since the spring has hurt cash-poor less-developed countries, these countries also have exacerbated the problem by trying to export more and more of their coffee, sugar, iron ore, gold and other commodity supplies of commodities.

"Commodities like Nigeria are fighting off bankruptcy," Mr. Wyss said. Many members of the Organization of Petroleum Exporting Countries are cheating on prices they have agreed to charge and the amounts they have said they would produce to increase their earnings.

"The same goes with Iran with Iraq," Mr. Wyss said. "You have people putting out enormous supplies of commodities because they need cash."

However, with the winter months approaching, which usually means higher oil demand, "we expect firming of prices," Mr. Murray said.

Spot oil prices have been dropping in part because many oil pro-

ducers are trying to churn out the product to help their earnings and are often selling at a discount to get rid of it. Because the recovery has not taken hold worldwide, demand for petroleum products has not increased rapidly enough to keep pressure on prices.

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William V. Sullivan, senior vice president for Dean Witter Reynolds Inc., said, "Beyond the longer-term perspective, it is clear many technical factors are at work in placing downward pressures on prices and that once these factors are removed, a rebound in the commodity markets is possible."

There also are long-term trends at work reducing demand for some important basic commodities. The auto industry, a major metals user,

(Continued on Page 13, Col. 8)

IBM Home Computers Likely to Be Improved

By Paul Richter
Los Angeles Times Service

LOS ANGELES — International Business Machines Corp., which set off an industry uproar in June by cutting prices on its personal computers, is expected to cause more turmoil in the next few weeks by announcing improvements to its floundering PCjr home computer and introducing a new higher-capability personal computer.

Some industry analysts expect to see the home computer announcements made at a press conference that IBM has set for Tuesday in New York. They believe that IBM may unwrap the higher-capability system at an Aug. 14 meeting in Dallas, to which dealers have already been invited.

Michael Murphy, co-editor of the California Technology Stock Letter, said he expects that IBM will revamp the more capable of its two PCjr home computers, offering a new keyboard and doubling the computer's internal memory.

He said that the new keyboard will be similar to a typewriter keyboard, and thus better suited for large word-processing tasks than the much-criticized keyboard now sold with the computer.

If the memory is doubled to a storage capacity of about 256,000 characters, the home computer would be able to run most business

software written for its more expensive cousin, the Personal Computer, Mr. Murphy noted.

Several analysts said that they expect the revamped PCjr to carry a price of about \$1,300, which would make it competitive in price with the \$1,295 Apple IIc. In June, IBM cut the price of the expanded-memory version of the PCjr to \$999 from \$1,269.

The new higher-capability computer, long expected under the code name Popcorn, will be able to act as the central machine in a network of several computers, analysts speculate. They said that indications are that the machine might be able to store more than 40 million characters of information in a hard-disc memory system and might be capable of hooking to a printer that other computers could also run on.

Norm R. DeWitt, an analyst with the Dataquest Inc. research company in San Jose, California, said the machine may be priced between \$6,000 and \$9,000, compared with system prices of \$4,000 to \$5,000 for Personal Computer XT systems.

The Personal Computer XT is

now the most capable machine in the Personal Computer line and comes with a hard disc capable of storing more than 10 million characters of information.

CURRENCY RATES

Latest interbank rates on July 26, excluding fees.

Official fixings for Amsterdam, Brussels, Milan, Paris, New York rates of 4 P.M. EDT.

Amsterdam 5.238 E. 122.97 24.805 F. 1.023 G. 5.538 I. 122.65 122.65 v

Brussels 50.673 76.165 20.222 1.023 3.276 17.907 22.704 1.023

Frankfurt 2.975 3.278 1.023 1.023 3.278 1.023 1.023 1.023

London 1.12 3.278 1.023 1.023 3.278 1.023 1.023 1.023

Milan 1241.80 2.251.10 41.55 2.251.10 2.251.10 2.251.10 2.251.10 2.251.10

Paris 4.795 11.529 204.95 4.795 271.74 15.175 269.90 204.95

Tokyo 243.725 3.255 85.84 27.85 12.54 75.71 82.44 100.04

Zurich 2.485 3.255 85.84 27.85 12.54 75.67 82.44 100.04

ECU 0.781 0.935 2.257 0.859 1.777.63 2.254 4.574 1.908

1 SDR 1.0715 2.71291 2.91524 0.9483 2.91524 3.0754 3.248 3.42973

Dollar Values

Per U.S. Currency Per Euro

1.023 1.023 1.023 1.023 1.023 1.023 1.023 1.023

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International Bond Prices - Week of July 26

Provided by White Weld Securities, London, Tel.: 623-1277; a Division of Financière Crédit Suisse-First Boston
Prices may vary according to market conditions and other factors.

RECENT ISSUES

Am.	Security	%	Mkt	Mid	Avg	Yield
	Covr Issue Pr.	Pr.	Mid	Life	Cur	
120	Sabena Acceptance	14	95 21 Aug	95 21	95 21	14.22
121	Sabena Air Lines	14	95 21 Aug	95 21	95 21	14.22
122	Sabena Council Of Europe	14	95 21 Aug	95 21	95 21	14.22
123	Sabena Yarn Credit Bk	14	95 21 Aug	95 21	95 21	14.22
124	Traffic Control	14	95 21 Aug	95 21	95 21	14.22
125	Dynamite-Nobel Ag	14	95 21 Aug	95 21	95 21	14.22
126	James Air Lines	14	95 21 Aug	95 21	95 21	14.22
127	Colgate-Palmolive Co	14	95 21 Aug	95 21	95 21	14.22
128	Colgate-Palmolive Co	14	95 21 Aug	95 21	95 21	14.22
129	Colgate-Palmolive Co	14	95 21 Aug	95 21	95 21	14.22
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217	Colgate-Palmolive Co	14	95 21 Aug	95 21	95 21	14.22
218	Colgate-Palmolive Co	14	95 21 Aug	95 21	95 21	14.22

NEW EUROBOND ISSUES

Issuer	Amount (millions)	Mot.	Coupo % n	Price at offer	Yield and offer week	Terms
FLOATING RATE NOTES						
IU Int'l Capital	\$85	1992	15	100	—	Over 3-month Libor. Minimum coupon 5%. Non-callable increased from \$75 million.
FIXED-COUPON						
A-S Exportinans	\$100	1987	13 1/4	100%	13.14	— Each \$100,000 bond with 5 warrants to be exercisable into a \$1,000 note of company's 13 1/4% of 1988 at any payment date after Aug. 1989. \$100 million issued now and \$100 million reserved to be exercised at any time. Commissions 1.20%.
Chugoku Electric Power	\$50	1989	13%	100	13%	— Noncallable.
Montagu Placements Limited	\$100	1991	13 1/4	100	13 1/4	Callable at 101% in 1989 and of 101 in 1990.
Nippon Yusen Kabushiki	\$50	1989	13 1/4	100	13 1/4	— Noncallable.
Investors in Industry Int'l	ECU50	1989	11	100	11	98.50 Noncallable.
EQUITY-LINKED						
Kawashima Textile Manufacturing	DM45	1990	4	100	4	Callable at 105 in 1989. To be redeemed at 105 giving an effective yield of 4%. Convertible at 354 yen per share, a 4.7% premium. Exchange rate set at 82.76 yen per mark.

Prices of Continental's Bonds Soar

(Continued from Page 7) fixed-rate funds into low-cost floating-rate money. But the recent rise in Eurobond yields has made such maneuvers much harder to arrange.

Another obstacle is the dollar's obstinate strength. Many equally obstinate investors do not want to buy it at current levels.

So new issues were scarce last week.

The seven-year, 13 1/4-percent Montagu Placements dollar bonds slumped down to a discount level of about 97%, for a yield of 13.77 percent.

Montagu Placements is a shell

company created solely for this bond issue. Based in Bermuda, the company is to lead the proceeds on to a third party, which has not been identified. The bonds are guaranteed by triple-A-rated Actua Life & Casualty, which gets a fee for its trouble.

Samuel Montagu & Co., the lead manager of the issue, says the anonymous borrower is a triple-A credit itself. The borrower apparently reasons that it can get its funds more cheaply by cashing in on the rarity of an issue backed by Actua.

Stripped of their warrants, the

13 1/4-percent, three-year dollar bonds from A-S Exportinans, the Norwegian export-credit agency, ended the week yielding about 13.57 percent.

The five-year European currency unit bonds from Investors in Industry, bearing a coupon of 11 percent, were yielding 11.41 percent. Owned by the Bank of England and five British clearing banks, Investors in Industry is a leader to small business.

Lloyds EuroFinance NV, a unit of Lloyds Bank PLC, offered £100 million of 12-year floating rate notes. A sinking fund will reduce the average maturity to about 10 years. Lloyds may release as much as £100 million more such notes later, depending on market conditions.

The notes were quoted at around 99.35 Friday. That would produce a yield of roughly 19 basis points above the London interbank offered rate for three-month sterling deposits, currently about 12 1/4 percent.

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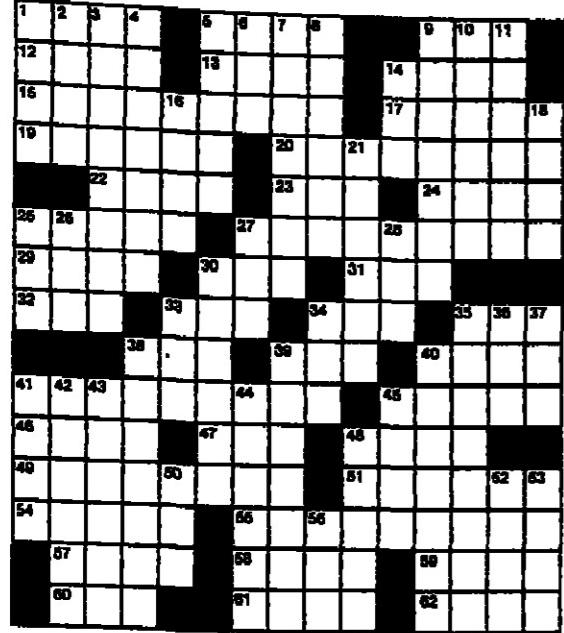
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ACROSS

- 1 Roe
- 5 "—Lisa"
- 9 Auditor, for short
- 12 Steak order
- 13 Med. subject
- 14 Disposition
- 15 A plum
- 17 Islamic deity
- 18 Titania's spouse
- 20 Fuel for a Reo
- 22 St. Philip
- 23 Clairvoyance units.
- 24 "How homy!"
- 25 Cue in group singing
- 27 Jealous
- 28 Haughty conduct
- 30 — Plaines, Ill.
- 31 Sister
- 32 Kind of poodle
- 33 Siren
- 34 Summertime in N.Y.
- 35 Haw's opposite
- 38 Fleed
- 39 Bitter vetch
- 40 Madrid matrons:
- 41 Novice
- 42 Afrikanders
- 46 "Liberal": M. Arnold

DOWN

- 47 Black cuckoo
- 48 Plucky
- 49 Tactful person
- 51 Muse of astronomy
- 54 Mrs. Bunker
- 55 N. Pacific fish
- 57 Cupid
- 58 Slippery shockers
- 59 Actress Swenson
- 60 "— Rosenkavalier"
- 61 An L.A. eleven
- 62 Maturing catalyst
- 1 "Therefore
- 2 Attire
- 3 Verdure
- 4 Dixon or Leek
- 5 Large; great: Comb. form
- 6 "Three Men Horse"
- 7 Scolds
- 8 Military stance
- 9 Irish lass
- 10 Follower of foreign or insurance
- 11 "Ten Cents"—
- 14 "Little Red Book" author

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DENNIS THE MENACE



"SOME NEW PEOPLE ARE MOVIN' IN AROUND THE CORNER. AN' SO FAR WE'RE STILL GOOD FRIENDS!"

JUMBLE

Unscramble the four Jumbles, and lengthen each square, to form four ordinary words.

NOOZE
□ □ □

MAALL
□ □ □

DIPTUN
□ □ □

YAQUES
□ □ □

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: A [REDACTED]

(Answers tomorrow)

Friday's Jumble: BLANK TRACT MARAUD LEGUME
What happened to the plastic surgeon who was working in an overheated operating room? —HE MELTED

WEATHER

EUROPE		HIGH	LOW	ASIA		HIGH	LOW	AFRICA		LATIN AMERICA		NORTH AMERICA		
Afghanistan	25	15	15	Bahrain	25	15	25	25	Bangladesh	25	15	25	25	25
Algeria	25	15	15	Bhutan	25	15	25	25	Botswana	25	15	25	25	25
Armenia	25	15	15	Brunei Darussalam	25	15	25	25	Burundi	25	15	25	25	25
Belarus	25	15	15	Cambodia	25	15	25	25	Cameroun	25	15	25	25	25
Bulgaria	25	15	15	China	25	15	25	25	Chad	25	15	25	25	25
Croatia	25	15	15	Colombia	25	15	25	25	Egypt	25	15	25	25	25
Czechoslovakia	25	15	15	East Timor	25	15	25	25	Greece	25	15	25	25	25
Denmark	25	15	15	India	25	15	25	25	Iceland	25	15	25	25	25
Finland	25	15	15	Indonesia	25	15	25	25	Iraq	25	15	25	25	25
France	25	15	15	Iran	25	15	25	25	Ivory Coast	25	15	25	25	25
Germany	25	15	15	Israel	25	15	25	25	Jamaica	25	15	25	25	25
Greece	25	15	15	Korea, North	25	15	25	25	Kenya	25	15	25	25	25
Hungary	25	15	15	Korea, South	25	15	25	25	Liberia	25	15	25	25	25
Iceland	25	15	15	Mongolia	25	15	25	25	Malta	25	15	25	25	25
Ireland	25	15	15	Nepal	25	15	25	25	Nicaragua	25	15	25	25	25
Italy	25	15	15	Philippines	25	15	25	25	Pakistan	25	15	25	25	25
Latvia	25	15	15	Qatar	25	15	25	25	Papua New Guinea	25	15	25	25	25
Lithuania	25	15	15	Romania	25	15	25	25	Paraguay	25	15	25	25	25
Montenegro	25	15	15	Russia	25	15	25	25	Peru	25	15	25	25	25
North Macedonia	25	15	15	Singapore	25	15	25	25	Portugal	25	15	25	25	25
Poland	25	15	15	Sri Lanka	25	15	25	25	Spain	25	15	25	25	25
Portugal	25	15	15	Taiwan	25	15	25	25	Sudan	25	15	25	25	25
Russia	25	15	15	U.S.S.R.	25	15	25	25	Tunisia	25	15	25	25	25
Ukraine	25	15	15	Vietnam	25	15	25	25	Zambia	25	15	25	25	25
Yugoslavia	25	15	15	Zimbabwe	25	15	25	25						

PEANUTS



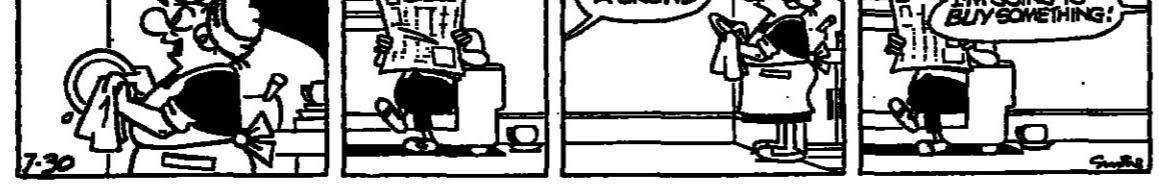
BLONDIE



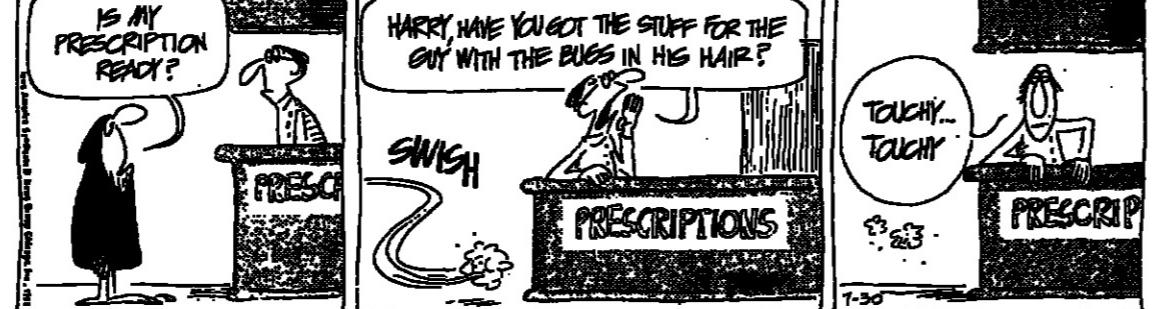
BEETLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



BOOKS

PASSAGE THROUGH EL DORADO:

Traveling the World's Last Great Wilderness

By Jonathan Kandell 312 pp. \$15.95.

Morrow, 105 Madison Ave., New York, N.Y., 10016; Will be published Sept. 27 in Great Britain by Allison and Busby, 64 Noel St., London w1 V 3RB. £8.95.

CUT STONES AND CROSSROADS: A Journey in the Two Worlds of Peru

By Ronald Wright 239 pp. \$20.

Viking, 40 West 23d St., New York, N.Y. 10010.

Reviewed by Don Montague

THE legend of El Dorado, the golden man, is one of the most enduring myths to capture the South American mind. This beginning chimeria has been around since 1541, inspiring countless expeditions into the interior and spawning endless stories and misadventures.

Jonathan Kandell, author of "Passage Through El Dorado: Traveling the World's Last Great Wilderness" and a correspondent for The New York Times and the International Herald Tribune, is the latest knight to embark upon a quest for El Dorado.

In 1976, he came under the sway of Fernando Belaunde Terry, president of Peru, the visionary who conceived and even built part of the Marginal Highway. This artery was designed to run from the highland jungles of Colombia, Ecuador and Peru down through northern and eastern Bolivia, bisecting Paraguay to its eastern border with Brazil — in short, to find El Dorado.

But if El Dorado is there in the hinterlands, why have South Americans failed so long to find it? Kandell spends much effort trying to explain their failure. Apparently it wasn't geography that stood in the way. It was the political writings of one Domingo Samaniego, who, says Kandell, taught the urbanized whites to fear the savage natives and natural forces of the backlands. So South America got robbed. It never got to have its own Manifest Destiny.

Solution to Friday's Puzzle

ALEC	THAT	SPADE
REDO	RAGE	ALLOW
MANN	ONAN	LIEGE
SPAN	JDBALINGER	
FORDON	CONT	
BRETTON	MILKHIGH	
CAEDEN	POOL	SARA
NIB	VENUS	NAY
USED	ANDS	ALFIE
DHAWRENCE	SEBAGLIO	SHILLS
ROUGE	NEAL	HOOT SHAME
ANNES	TALL	ENID
BEAST	STAY	SGTS

7/28/84

Clearly all this is changing. Kandell has just returned with the happy news that South Americans are slaughtering Indians and wildlife, as in the good old days in the United States. There's a land rush in western Brazil and a mammoth ecological disaster in the making.

In truth, the idea of opening up these hinterlands is not new. Whenever South Americans thought there was money to be made in the backlands, they went for it — the conquistadors, loggers, skin and animal traders, rubber barons, gold prospectors. The history of the Amazon is a history of get-rich-quick schemes.

South American countries face enormous problems — massive foreign debts, crippling trade balances, runaway inflation and impossible poverty. Small wonder, then, that leaders are frequently seduced by dreams of untapped riches, an El Dorado that will solve everything. But there's no reason to subscribe to Kandell's contention that the Marginal Highway is "the most plausible blueprint for the eventual integration of South America's backlands." And fortunately, Kandell's pioneer enthusiasm is no longer in vogue even in South America. Ecuador and Bolivia are not pushing ahead with the Marginal, and Belaunde is preoccupied with other things these days.

In the end, then, Kandell's book is not about a solution. It is not even an accurate description of what is taking place in South America. At best, it is but another contribution to El Dorado literature.

At first I suspected that another new travel journal, "Cut Stones and Crossroads" by Ronald Wright, might be just as misleading and confused, in that it attempts the monumental task of making sense out of Peru.

One needs a friend in Peru, because all sorts of things can go wrong and do.

One needs Ronald Wright. He understands that breakfast is always a problem in Peru, the washing down of the greasy fried egg on a stale bun with weak, cold coffee.

Then too, Wright is a veteran of South American motorized travel, a particularly deadly way of getting about. "A quick inspection of the vehicle does not bode well for the trip: leaking radiator, two bald tires, the spare flat, a hemis of inner-tube is bulging through a cut in the sidewall of a rear tire, and there is an ominous steady hiss of escaping air from one of the front brakes."

Peru would be worth all the suffering if one had time to understand Peru, as Wright knows, is a country of ironies and incongruities. One needs someone to sort out the complexities of its culture, politics, history and economics. How fortunate if that guide happens to be well-read, a perceptive writer and an archaeologist.

There is much to praise about this excellent book. For example, Wright's delightful sketches of the people he meets, such as Hiram, the elderly American who gives him a ride to Puno in his Dodge van and who, by simply donning a *chullo* (woolen hat with ear flaps), "changes from a tortoise into a gromme." Or the teen-ager singing "Chi lub yo" along with Radio Atahualpa as he mops the hotel floor.

Don Montague is cofounder of the South American Explorers Club. He wrote this review for the Washington Post.

BRIDGE

By Alan Truscott

ON the diagramed deal from the final, the East-West team almost fumbled a big fish, but let it off the hook. Its opponents had reached a normal contract of six diamonds, which was doomed by the bad trump break. The diagramed auction led to six hearts from the South position, a surprising spot but the only unbeatable slam with the given lie of the cards.

The two diamond response was a transfer showing heart length. The eventual four-notrump bid was natural, and one would expect South to pass or show diamond support. Why did he bid hearts? Is not clear, but it landed him in

SPORTS

Summer Olympics Open Amid Pageantry, Emotion



John Moffet of the United States, setting the Olympic 100-meter breaststroke mark of 1:02.16 Sunday in Los Angeles.

The Fans Are Part of the Show

By Robert Fachet
And Michael Wilton
Washington Post Service

LOS ANGELES — The 92,600 visitors who came to Saturday's opening ceremonies of the Olympic games in search of a good time and themselves part of the show, hundreds of outsiders stared astutely at them through the fence one end of the Coliseum. One had a sign reading "Need 2 scalps please — I've come a ways."

Terry Coffey of Johannesburg: "I come a long way to try to catch an event from which his entry is banned. But offered a key Saturday for \$600, he decided.

"I'm with a tour group and I'm for two reasons, to see the ones and to look around," Coffey said. "I hope maybe we can't see there. There doesn't seem to be any answer to apartheid. I guess I'll never compete in the Games."

Paulo Quintiliano of São Paulo is one of those on the inside, ending his sixth Olympic games. He was looking forward to "the field, where Brazil's Joao Cruz is a gold-medal favorite 300 meters. Quintiliano has seen every

Games since Tokyo in 1964 and he said, "This is one of the more expensive. It was cheaper even in Moscow. In Moscow, the security was more obvious, but the people were good."

Georg Wulfard of Bremen, West Germany, also was finding Los Angeles an expensive proposition. "A lot of Germans didn't come because of the boycott and because of the unfavorable money exchange," Wulfard said. "Prices are high, but the big thing is security. The barbed wire takes away from the Olympics. In 1968 in Mexico you could see the athletes in the village. Munich finished that and it's just not as enjoyable any more."

Souvenirs, including an opening-ceremony T-shirt for \$13, were going quickly. The booth operators had to sell a lot to recoup their investment, since the cost of booths was high.

Tom Massy, a graduate of Virginia's Massanutten Academy, paid \$7,500 for each of two inside booths selling licensed watches. He also spent \$7,000 for a booth on 40th Place, a block away from the Coliseum. "It's well worth it," Massy said. "My money went to a good cause and I think I'll make it in America."

Farley Brandwein, trying to sell track and field tickets at face value after friends backed out of coming, was besieged with persons looking for opening ceremony tickets. He referred them to a nearby agency, which was asking \$600.

Chi-Touk Hang and Cheang Se Whean, two acupuncturists specialists from Seoul, flew in "on the way to Hawaii" to get "the Olympic feeling in the heart."

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Louie Anderson set up a series of photos, including a U.S. athlete on the victory stand next to a Russian and a North Korean. He was taking photos for \$9.95 and worrying about paying off the \$5,000 rental on his booth. Anderson also was selling cans of "unofficial air of the Olympics" for \$2 — marked, naturally, "Hazardous to Your Health."

The attendant at Joe's Auto Park (\$100 maximum) across from the Coliseum looked glum. At 2 P.M., the only car in the lot apparently belonged to Joe. "The boss is starting to get worried," said the attendant.

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